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To: ABD

From: EFH

Subject: CIG committees and reports on disposition of SSU assets.

1. Col. ^{Roy H.}Boberg was chief of the Security Branch of the Central Planning Staff in early 1946. According to his recollection, Fortier headed the ad hoc committee called for by CIGDir #1. Other members were Capt. Cullen for Navy, ~~Capt~~ Col. Walker for Army, Col. Boberg for Air and Mr. Krause for State. They started to work between 15 and 20 Feb 46. They collaborated on a general report and broke up for specific annexes on the component parts of SSU, each member, according to his assignment, making a personnel investigation within the SSU set-up. They also heard a number of witnesses, including Dulles. The general sense of the recommendations of the report was that all existing covert activities in departments or agencies should be continued, but should be closely coordinated, and certain direct operations should be taken on by CIG. More specifically, with respect to SI and X-2, the investigation revealed that virtually all the covert agents in the field had by that time been blown. It was recommended in the report that these blown agents be kept on under CIG, and that new agents be fed into the field without the knowledge of the blown agents, who would serve as a cover for the new operations and would not be withdrawn until the new men were well launched and operating. This illustrates the specific detail that the report contained, It was delivered during Souer's regime, therefore before 10 June. Boberg's own assignment and annex was on the administrative and reproduction elements in SSU. He recommended that a large part of the administrative set-up be absorbed, and the entire reproduction plant. The latter fell through because State took dibs on the reproduction plant, pointing out that over 60 per cent of its output was for the old R & A Branch, whence it was logical that if State had the R&A Branch they should have the facility for which the administrative set-up was

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eventually taken over, and this personnel would be in addition to the 175 which appears on the roster we have of SSU personnel taken into OSO. Since Fortier was both head of this committee and Souer's appointee to give orders to SSU, it is quite possible that the SSU reorganization creating FSRO as a combined SI & X-2 branch under Penrose might have been in response to this committee report.

2. The second committee, which Boberg could not definitely pin down as the CIGDir #3 Committee, was headed by Col. Cunningham of Air, with Capt Goldthwaite for Navy, Col. Boberg for Air, Francis Parkman for State and Ladd for the FBI. The presence of Ladd makes it look very much like the CIG #3 Committee. This committee soured, according to Boberg's word, because Cunningham wanted to operate on his own and come up with fait accomplis for the other committee members to sign. Only minutes kept were made by Cunningham himself. Boberg was vague on how this committee came into being, but stated that he personally got his instructions to join it from Col. Charles Nicholas, now at West Point, who was then Goggin's assistant on the CPS staff. Cunningham came up with a recommendation that the FBI take over all espionage and CE throughout the world. This met unanimous dissent, including Ladd. At a later meeting, two Army representatives sat in, identity unrecalled, and the other members fired a lot of questions, primarily on the Army's existing espionage set-up. The Army representatives said they could not answer the questions and added that they had covered the ground privately with Cunningham and did not believe the matter was appropriate for discussion before the whole committee. Cunningham confirmed that he had all the answers and said they would be included in the material on which he would base the final recommendations of the committee.

3. As to the report which we have, signed by Olsen with Boberg's and Sand's initials. Boberg thought it was actually written by Nicholas who he said was

the one man closest to the whole picture and best informed on it. Olsen relieved Goggins on 26 June 1946, which indicates that this report was put out between 26 June and 8 July. Boberg said that his own views at the time were strongly against any mixing of the police and intelligence functions, which Cunningham tended to do. Boberg also favored continuing collection by all existing collecting agencies, but with strong control from a central point (CIG) as well as CIG taking over common concern collection which did not fit into any existing agency. He said that this half-way solution was pretty general down at the working level and the committee members did not recognize any head-on irreconcilables. Cullen and Krause were the two members of the committee assigned to do the annex on covert collection by SSU. Cullen was an ex-FBI man, and he felt strongly that the SSU covert collection should be continued without strong feeling as to under what aegis these branches should operate.

4. On the general philosophy of the Souers' regime, Boberg noted that in his own area of responsibility, security, original instructions were to have all clearances made by the agency sponsoring the individual assigned to CIG rather than CIG itself. This grew out of the concept that all CIG personnel should be assigned from the IAC agencies, none employed direct by CIG. Both concepts fell down because the IAC agencies did not have qualified personnel to spare for assignment to CIG nor did they have security facilities which would take on and expedite the clearances required.